

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
August 24, 2006
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
 Linda Miller Atkinson, Vice Chairwoman
 Vincent J. Brennan, Commissioner
 Maureen Miller Brosnan, Commissioner
 James R. Rosendall, Commissioner
 James S. Scalici, Commissioner

Also Present: Kirk Steudle, Director
 Leon Hank, Chief Administrative Officer
 Larry Tibbits, Chief Operations Officer
 Frank E. Kelley, Commission Advisor
 Marneta Griffin, Executive Assistant
 Jerry Jones, Office of Commission Audit
 Patrick Isom, Attorney General, Transportation Division
 John Friend, Bureau Director, Highway Delivery
 John Polasek, Bureau Director, Highway Development
 Susan Mortel, Bureau Director, Transportation Planning
 Myron Frierson, Bureau Director, Finance and Administration
 Tim Hoeffner, Administrator, Intermodal Policy
 Rob Abent, Bureau Director, Aeronautics
 Susan Gorski, Project Manager, Statewide Planning

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:00 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

Chairman Wahby asked for a moment of silence acknowledging the passing of former Transportation Commissioner Lowell Bertram Jackson, 75, of Northport, who died August 12, 2006. Commissioner Jackson served on the Michigan Transportation Commission from March 1998 until March 2004.

I. RESOLUTION OF APPRECIATION

Resolution 2006-01: Resolution of Appreciation to Commissioner Robert G. Bender
Chairman Wahby presented Commissioner Bender with a plaque on behalf of MDOT and the State Transportation Commission in appreciation of his years of service as Commissioner.

Commissioner Bender gave brief comments thanking the Commission and the department for allowing him to serve as Commissioner.

Chairman Wahby entertained a motion to adopt Resolution 2006-01: Resolution of Appreciation to Commissioner Robert G. Bender. Motion was made by Commissioner Brennan, supported by Commissioner Atkinson to adopt this Resolution. Motion carried on a unanimous voice vote.

II. **COMMISSION BUSINESS**

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation Commission meeting of July 27, 2006.

Moved by Commissioner Brosnan, with support from Commissioner Rosendall, to approve the minutes of the Commission meeting of July 27, 2006. Motion carried.

III. **CORRESPONDENCE**

Mr. Kelley read a letter dated July 21, 2006, addressed to Chairman Wahby from Don and Valerie Roskamp of Chatham, Ontario, expressing their “appreciation for the excellent rest stops the State of Michigan provides for motorists”. The letter continues: “This week we traveled northern Michigan... We are thankful to Michigan for the cleanliness and peaceful atmosphere each stop provides... Ontario could learn from Michigan. Our 401 stops are commercialized which I think takes away from having a peaceful rest.”

Director Steudle acknowledge the great work of Chief Operations Officer Larry Tibbits and the employees in his area

IV. **DIRECTOR’S REPORT – DIRECTOR KIRK STEUDLE**

Director Steudle’s presentation focused on:

Local Jobs Today Update

Tentatively we have allocated (funds not obligated) about \$46 million in the State Local match. The Jobs Today match for FY 2006 is \$7 million; FY 2007 is \$39 million. The project cost for FY 2006 is \$43,458,326; FY 2007 is \$251,026,600 (combined total costs for MML and CRAM is \$294,484,926). There have been a total of 198 projects approved (60 in FY 2006; 138 for FY 2007), and 55 high-priority projects (HPP) have been approved. As of today, 4 projects have been let under Local Jobs Today. We are anticipating 57 projects to be let by November 2006 (1 is a 2007 HPP). The 4 projects are: HPP 2529 (Alcona County, Ritchie Road, Gehres Road, Apsey Road, and Lake Street), MI 320 (City of Muskegon, Western Avenue), HPP 1981 (Sault Ste. Marie, E. Spruce Street), and Calhoun County, Verona Road.

Commissioner Brennan asked, for clarification, if there was almost \$300 million in total projects through this initiative.

Mr. Steudle answered yes.

Commissioner Brennan stated that our top priority at MDOT is reconditioning and bringing the roads up to good/better, improving infrastructure and transportation, but the bi-product of this program is jobs. In the past we have been able to show what the number of jobs created by our spending is. Therefore, Commissioner Brennan asked if we could find out what that number is.

Mr. Steudle answered yes. During the announcement of Local Jobs Today it was stated that the program in total would generate about 7,100 jobs over the next couple years. Considering that we are about half-way through, a rough estimate would be about 3,500 jobs so far. There is still \$34 million available for projects that meet the criteria; this would put even more people to work.

No other questions were forthcoming.

Blue Water Bridge Plaza Study (St. Clair County, Michigan)

The study was done to look at how to accommodate projected 2030 traffic growth and potential future facility needs, minimize backups on Highway 402 and I-94/69, accommodate the latest inspection technologies and procedures, and to provide flexibility to accommodate future unknown inspection technologies and procedures. This was also done in response to the increased security measures that need to be in place at border plazas since September 11th.

Current plaza alternatives include: Alternative 1—No-build; Alternative 2—Expands existing plaza from 18 to 90 acres in the city of Port Huron (key features include 95 acres at existing site, plaza mostly at street level, relocation of Pine Grove Avenue to 10th Street east of existing plaza, 9-lane Black River Bridge, and rebuilt Water Street interchange); Alternative 3—Relocates existing plaza to P.H. Township off of I-94 on a 120 acre undeveloped site (key features include 153 acre plaza in Port Huron Township, no local plaza access at Pine Grove Avenue, secured corridor, service roads for local traffic along secured corridor, 10-lane Black River Bridge, and rebuilt Water Street and Lapeer Connector interchanges); Alternative 4—Incorporates new Customs and Boarder Protection (CBP) requirements (key features include plaza at grade level, expands existing site to 70 acres (20 acres less than Alt. 2), Pine Grove Avenue relocated west of the plaza, community impact analysis underway, cost to be determined).

MDOT received the new CBP plaza requirements on June 9th and the Alternative 4 analysis is underway. We plan to present Alternative 4 to the public on September 26th. The key features of the project acceleration strategy are the benefits of: reducing project delivery by 2 years (split the current Environmental Impact Statement (EIS) into 2 parts—Environmental Assessment (EA) for Black River Bridge/I-94 improvements, and EIS for plaza construction (major benefit is that it enables MDOT to replace Black River Bridge sooner); early acquisition of property voluntarily available using federal-aid funds

(needs FHWA approval); and hire design and/or design-build teams prior to completion of environmental clearance (needs FHWA approval).

There was a meeting in Washington, D.C. on July 26th that was called by Senator Levin, Senator Stabenow, and Representative Miller (attendees also included MDOT, CBP, GSA, FHWA, and Representative Miller's staff). The purpose of the meeting was to clear up misconceptions concerning selection of the preferred alternative and project schedule, present MDOT's project acceleration strategy, review roles and responsibilities of Federal/State partnership, and to enlist support of Michigan delegation to move project forward. This meeting resulted in support from delegation to assist MDOT, clarification of the NEPA process and its impact on study completion, and commitment from Federal cooperating agencies to move forward.

High Level Plaza Schedule: January 2005 (EIS start date), July 2006 (decision for EIS/EA split), November 2006 (selection of a preferred alternative), May/June 2007 (submit DEIS and public hearing), April 2008 (submit FEIS and engineering report), May 2008 (select design consultants), August 2008 (issuance of ROD), 2008-2012 (design and construction), 2012 (proposed plaza completion date).

Commissioner Brennan asked why it takes so long between events November 2006 (selection of a preferred alternative), and May/June 2007 (submit DEIS and public hearing).

Mr. Steudle answered that after the selection is announced, a number of tasks take place, i.e., putting the formal piece together, submitting it to Federal Highways, holding public hearings, and review.

Commissioner Brennan then asked about the activities between May/June 2007 (submit DEIS and public hearing) and April 2008 (submit FEIS and engineering report).

Mr. Steudle answered that the engineers are continuing with the next level of evaluations. There is a lot of review process that happens in these 12-months as well.

Continuing:

High Level Black River Bridge/I-94 Corridor Schedule: July 2006 (decision for EIS/EA split), August 2006 (proposed EA start date), February 2007 (EA released), March 2007 (select design consultants), August 2007 (FONSI signed/signed marked final ROW), 2007-2009 (complete design/acquire property), 2009-2012 (construction), August 2012 (proposed completion of entire corridor).

Misconceptions Versus Facts

M: Plaza costs are skyrocketing because of MDOT delays and mismanagement

F: (1) Costs have risen significantly because border inspection agencies have increased their space requirements from 30 to 90 acres; (2) Increase in plaza size has impacted I-94, Black River Bridge, Water Street Interchange, and Pine Grove Avenue, the costs of which have been added to the project.

M: The study has encountered numerous delays because of MDOT mismanagement.

F: Changing border agency needs and requirements over the course of the study have resulted in additional environmental analysis and forced MDOT to upgrade the original EA to an EIS that requires much more in depth study of environmental and human impacts.

M: MDOT supports an alternative that is opposed by U.S. Customs and Border Protection (CPB).

F: MDOT does not have a preferred alternative but is bound by NEPA to study all practical alternatives, including a new alternative provided by CBP, June 2006.

M: MDOT has held too many public meetings without telling the community where the plaza will be located.

F: All public meetings that have been held in Port Huron are part of MDOT's public involvement that is required to meet NEPA requirements, including recent Values and Visioning workshops that are critical to designing a plaza that fits within the community's long-term master plan.

M: MDOT is misspending the \$43 million in earmarks secured by the Congressional delegation in SAFETEA-LU.

F: (1) MDOT has not used any of the earmark funds to-date because FHWA prohibits the use of these funds until the project is cleared environmentally; (2) Study funds have come from traditional FHWA formula-funded project categories. Total cost spent to-date for the study is approximately \$4.5 million. The study contract is for approximately \$11 million.

Chairman Wahby asked if the \$43 million is the total cost.

Mr. Steudle answered that the total cost ranges from \$200-\$350 million.

Chairman Wahby then asked if there had been two options—one being a mile and a half going out through the township, and the other was taking the properties downtown.

Mr. Steudle answered yes; and now there is the third, which combines them—this is the piece that we are ready to announce on September 26th.

Commissioner Rosendall asked in this whole process, if the cost of operations upon completion is being taken into account.

Mr. Steudle answered yes. Part of the analysis is the long-term operations and maintenance. The largest cost right now is the capital cost.

Commissioner Rosendall asked if it will cost more to operate by moving the plaza 1½ miles in than it will by leaving it downtown.

Mr. Steudle answered that certain aspects of it will cost more. We will still have the physical infrastructure that will have to cross the Black River Bridge, whether it is 9 or 10 lanes, as well as a secure corridor having challenges in the winter with snow removal.

No other questions were forthcoming.

MI Transportation Plan

Ms. Susan Gorski, Project Manager, Statewide Planning, presented this portion of the report.

The *MI Transportation Plan* is the State Long Range Transportation Plan for the Michigan Department of Transportation that covers a 25-year planning period. The MI Transportation Plan will be completed in May 2007. This Plan will include goals and objectives, strategies, and policy recommendations that will shape the current system into the 2030 preferred transportation system defined through our visioning process. The Plan will be a document that presents Michigan's transportation vision while setting operating guidelines. It will be a document that builds on the existing plan, *Mobility is Security*, and the work from the 2003 and 2004 Transportation Summits.

The Draft Preferred Public Vision has been completed and will be revised based on the second round of public participation which was just completed. All 17 technical reports have been started and are in different stages of development. Goals and objectives are being developed by the project team based on the input received to date from stakeholders and the public. Priority corridors are being defined and economic analysis is underway.

The *MI Transportation Plan* project team has been consulting with the public in a variety of ways since February 2006. The result is the Preferred Public Vision for transportation in Michigan in 2030. This document will serve as the backbone and vision for the *MI Transportation Plan*. The vision incorporates core values and characteristics of a preferred transportation system, but most importantly it reflects what we have heard from all the public input received.

The Preferred Public Vision is a vital input to the final Preferred Vision for an Integrated Transportation System. Input has been gathered through stakeholder interviews, household surveys, two Economic Advisory Group meetings, seven stakeholder workshops, and 26 Public Open House meetings. Other key processes that will contribute to the final vision include a series of technical reports and deliberations within MDOT.

Participation is the key to success. MDOT is working with the Library of Michigan, regional library cooperatives, and local libraries to further involve the public. Director Steudle and State Librarian, Nancy R. Robertson, jointly announced the partnering to help set the direction for transportation decisions and investments through 2030. The outcome of the visioning process, "The Preferred Vision for an Integrated Transportation System" will be used by MDOT as a framework to guide all future work and outreach activities.

Many **values** comprise a preferred transportation system. Some of the key values that stand out as most preferred among stakeholders and members of the public include: choice in modes, safety, sustainability, energy efficiency, and access to economic opportunities. A number of specific **characteristics** for a preferred transportation system were recommended by stakeholders and the public. Some of the key preferred characteristics include: new and improved transit and pedestrian options, improved and separated freight systems, maintained and improved highway corridors/roads, MDOT being a leader for a new transportation era, and new approaches to transportation funding.

In addition to the outreach that is being done, there are a lot of technical reports (TR) at the final draft stage. We need to understand the performance and characteristics of our transportation system so that we can shape where we want to go with that system. Overall 17 are being developed; 4 have been completed and posted on the web—Travel Characteristics, Socioeconomic, Highway Safety, and Security. The remaining TRs that will be available by mid October include Finance, Transit, Intercity Passenger, Non-motorized, Environmental, Aviation, Land Use, Highways and Bridges, Freight Profile, MPO/RPA, Conditions and Performance, Integration, and Economic Outlook, as well as our Metropolitan Planning Organization and Regional Planning Agency Coordination report.

Other key elements with regards to the Plan include borders and corridors. The borders analysis is complete. We are looking at corridors of highest significance and taking an activity center based and multimodal approach to looking at our transportation corridors. We are also looking at our performance measures in terms of identifying our goals and objectives in 3 categories: Integration, Economic Benefit, and Quality of Life.

Our upcoming schedule includes library outreach/web questionnaire (Fall/Spring 2006), second household participation study (September 15–November 10, 2006), EAG and stakeholder workshops (November 28–December 1, 2006), draft plan document (November 28–December 1, 2006), and final Plan document (May 1, 2007).

You can visit the *MI Transportation Plan* website at www.michigan.gov/SLRP. Comments may be left by calling the 24-hour hotline and leaving a message at 1-800-341-1828. Comments will also be collected on *Commentworks*, which can be found on the MDOT website. This site will allow you to comment on any aspect of *MI Transportation Plan*.

Commissioner Brosnan asked if this Plan was being done in-house or is it contracted out.

Ms. Gorski answered that it has been consulted out.

Commissioner Brosnan asked who is doing it for us.

Ms. Gorski answered that it's Wilbur Smith Associates.

Commissioner Brosnan asked where this company is from.

Ms. Gorski answered that they have offices in Lansing.

Commissioner Brosnan asked where the firm was based.

Ms. Gorski answered she did not remember off-hand.

Commissioner Brosnan stated that, in talking about developing the public vision, folks in the aviation industry feel underrepresented at the table at this point in time. It is hoped that between now and finalizing the details that they will get more seats at the table. In talking about security being one of the issues of focus, one of the areas that need to be more secure is the airports.

No other questions were forthcoming.

Mr. Steudle thanked Commissioner Rosendall for serving as the liaison to this group.

V. **OVERSIGHT**

Commission/State Administrative Board Contracts/Agreements (Exhibit A) – Myron Frierson

Mr. Frierson stated that information on 95 agreements (over 60 of those are related to passenger transportation agreements related to distribution of federal grants) were given for review. Pending any questions, Mr. Frierson asked for approval of Exhibit A.

Commissioner Brosnan asked if there is a way we can help to encourage organization to use, and try to promote the use of, hybrid buses. In comparison to how many buses we were purchasing, or helping to purchase, the hybrids were very small and appear to be being used on a test basis.

Mr. Frierson deferred to Ms. Sharon Edger of MDOT Passenger Transportation.

Ms. Edger answered that there is an increase due to the new federal incentives in SAFETEA-LU for the purchase of hybrid. This is being seen in CATA as well as moving toward this with agencies working on technologies to compress natural gas. In the next coming year we are hoping to bring the urban transit agencies together to discuss the agencies that are using hybrid and how to transfer that knowledge and the decisions they've made to other transit agencies.

No other questions were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Scalici to approve Exhibit A. Motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson gave a brief re-cap of the August 2006 bid letting activities: 35 State projects with total engineers' estimates of \$200.4 million were let. The low bids announced on these projects totaled \$192.5 million. This was the largest total of State

low bids announced since low bids totaled \$291.8 million in December 2000. The dollar amount let for State projects in August was much larger than the 5-year average amount of \$31 million for August lettings. The average low bid of all 35 State projects is \$5.5 million. Two of these items had low bids totaling \$121.4 million, or 63% of the total low bids for the letting. The average low bid for the remaining 33 items was \$2.2 million. Of the low bids announced, eight items with low bids which total \$21.1 million have yet to be determined. Seven items with total low bids of \$171.3 million had warranties.

It was estimated that 426 state projects with construction costs totaling \$1,106.8 million would be let during the 2006 fiscal year. Through August of this year, 433 items with engineers' estimates of \$893.3 million have been let. For this period, the total of low bids is \$856.1 million compared to August 2005 when 423 items were let through August 2005 with low bids totaling \$770.9 million.

Before the Commission for approval is 43 State projects with engineers' estimates totaling \$105.6 million scheduled to be let on September 1, 2006. Nine of these items have warranties. One item to be let is in the "Jobs Today Jobs Tomorrow" program (located in Calhoun County; estimated at about \$560,000). Pending any questions, Mr. Frierson asked for approval of the bid items for the September letting in Exhibit A-1.

No questions were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brennan and supported by Commissioner Rosendall to approve the September bid letting. Motion carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) – John Polasek

Mr. Polasek reported on 5 projects (3 State; 2 Local) that were 10% over the estimates which are accompanied by justification memos. Pending any questions, Mr. Polasek asked for approval of Exhibit A-2.

Commissioner Rosendall asked for more information regarding the continued increase in price resulting from the hot asphalt mix, and the error(s) on the part of the staff.

Mr. Polasek answered that this was an error on estimating the unit price of the hot asphalt mix on the local agency projects.

Commissioner Rosendall then asked if we were almost out of the woods with this type of issue.

Mr. Polasek answered that we are not seeing this on many of our projects now; we are getting it right except in certain situations. Many of these projects that come in with asphalt prices that are higher are because of the production levels of them. If they are small projects, small quantities, or even if they are large projects with multiple locations, it is hard to estimate how a contractor is going to bid those because he's going to multiple locations and having to start and stop his operation. As far as the unit prices having to do with the petroleum products we are doing pretty well.

No other questions were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Scalici to approve Exhibit A-2. Motion carried on a unanimous voice vote.

Information Items (Exhibit A-3) – Myron Frierson

Mr. Frierson stated that this item is included for information purposes only. There is no action required.

Chairman Wahby asked for questions; none were forthcoming.

Contract Adjustments (Exhibit B) – John Friend

Mr. Friend has 13 MDOT projects and 3 local agency projects, before the Commission. Pending any questions, Mr. Friend asked for approval of Exhibit B. Two of these projects involve hot mix asphalt (US-12 in Washtenaw County and US-2 in Dickinson County) for a total of \$1.5 million. These are straight substitutions; not additional project costs. In one area the contractor asked to switch to a higher quality mix because he had it in his inventory. We approved his request although it does require Commission approval. This represents about \$635,000. Same thing occurred on the US-12 project in Washtenaw County; contractor asked to switch to a different type of mix that was still well within our budget.

Probably the most frustrating is Item 2006-119 (I-75 over the Rouge River). This project is designed by MDOT, however after the project award the coast guard and the army core engineers approached asking about differing and changed permit requirements involving the amount of under-clearance that was required under the bridge. Those were permit requirements that we feel were new and had not encountered before. This required us to have to change the staging for the construction project as well as meet some of their under-clearance needs. This cost us close to \$1 million.

Regarding item 2006-129 (M-10 from Beck Road to Lahser Road): This was scheduled to be done on October 10th, however it was thought that there was an opportunity to accelerate this project based upon “user cost calculations” (society costs, where you factor in what the congestion costs are, loss of ability to move freight costs). This is a nationwide accepted standardized model. We computed that we could accelerate the project by 30 days at a reasonable cost of \$30,000 per day. After further review, we determined that it could be accelerated by another 10 days for a total cost of \$1.4 million. This is justified by a user cost delay of as much as \$30-\$40 million.

Commissioner Brennan asked, regarding accelerating Item 2006-129 by 40 days, how the conversation starts—does the contractor come to us or us to them.

Mr. Friend answered that both instances occur.

Commissioner Brennan asked if he knew how it started in this particular instance.

Mr. Friend answered that he believes the contractor approached us first.

Mr. Steudle interjected that it was a joint conversation earlier in the spring. MDOT saw the progress the contractor was making and investigated the possibility of accelerating the project.

Commissioner Brennan then asked if there was an increased cost to the contractor beyond the obvious overtime for employees, i.e., equipment overhead.

Mr. Steudle responded that a lot of it is also at the expense of other development projects that are going on. There a shift of equipment but there is also an increase of equipment becoming available later in the season.

Commissioner Brennan stated he is “for” the incentive and getting the projects done quicker, he just wonders about the amount of time contractors are able to cut; especially on this project.

Mr. Friend added that there is also risk to the contractor in the event he does not get the job done, therefore he does not qualify for the second portion of the incentive which if \$500,000.

Mr. Steudle also added that weather has to be factored in as well.

Mr. Friend further added that MDOT estimated that this job would run over by \$40 million, whereas it only ran about \$26-\$27 million.

No other questions were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brennan and supported by Commissioner Atkinson to approve Exhibit B. Motion carried on a unanimous voice vote.

VI. PUBLIC COMMENTS

Chairman Wahby asked if any member of the audience wanted to address the Commission.

None were forthcoming.

Chairman Wahby asked if any Commissioner wanted to address the Commission.

None were forthcoming.

ADJOURNMENT

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 10:15 a.m.

The next full meeting of the Michigan State Transportation Commission will be held on September 28, 2006, in the Lakeview Arena Citizens Forum Room, 401 E. Fair Avenue in Marquette, Michigan, commencing at the hour of 9:00 a.m.

Frank E. Kelley
Commission Advisor